



Washington, D.C. 20505

DDI Registry

Chrono

12 December 1984

MEMORANDUM FOR: The Honorable Fred C. Ikle
Under Secretary of Defense for Policy

LTG James A. Williams, USA
Director, Defense Intelligence Agency

SUBJECT : JEC Testimony

1. As promised, I attach a copy of the Question and Answer part of my appearance before Senator Proxmire's Joint Economic Committee. You both already have the formal testimony. I call your attention to several key themes I hit that DIA may wish to consider in its testimony in January:

- As a basis for US programmatic decisions on weapons, actual Soviet forces are a far more reliable guide than any costing data, which are simply an analytical construct. Moreover, on forces and capabilities there are few differences in the Intelligence Community.
- Not too much should be made of the disparity in DIA's rate of growth in procurement and our own figures on this score. What is important is that just as DIA and CIA agreed on the general notion of a flattening in procurement in recent years, so now we appear also to agree that there has been a change in that trend and that we see an increase in the rate of growth again in this area. Specific numbers are unreliable; it is the trend or change in pattern that is worth noting.
- You may also find of interest my discussion of problems in costing the Soviet defense effort (page 53-58) and my response to Senator Proxmire's contention that the withholding of dollar costing is a victory for the Pentagon in suppressing information (page 59-60).

25X1

2. Regrettably, as we anticipated at the time we drew up the memorandum of understanding, Senator Proxmire insisted on our providing dollar costing data. We will be doing that in due

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25X1

DIA review Completed.

SECRET

course and will obviously provide a copy to DIA. However, it is my intention not to declassify that data for the substantive reasons set forth both in the testimony and in our earlier correspondence. [redacted]

25X1

3. I provide this text of the Qs and As in the event a distorted version of my remarks appears. It may be necessary for us to use some of this text in refutation as we did last year. [redacted]

25X1

25X1

[redacted]
Robert M. Gates

Deputy Director for Intelligence

Attachment:

As Stated

P.S. In reading transcribed testimony, one always wished he could be more eloquent and graceful in off-the-cuff answers -- not to mention the points you wish you had made.

DDI/RMGates/de [redacted]

25X1

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